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# The American Observer

*A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe*

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OCTOBER 5, 1936

## Both Parties Make Bid for Farm Vote

**Conflict Centers on Production Control as G. O. P. Denounce "Program of Scarcity"**

### AGREEMENT ON FEDERAL AID

**Roosevelt and Landon Disagree Only on Form Financial Benefits to Farmers Should Take**

In each of the last three presidential campaigns, the so-called "farm problem" has figured as one of the outstanding issues. Party orators, including the presidential candidates themselves, have hied themselves to the heart of the farm belt, have held out promises to the people in the hope of winning their votes. From the political standpoint, the votes of the farmers are important, for it is difficult for a party to win the election without carrying at least a large part of the farm belt. From the economic standpoint, the issue has been even more important, for no problem has been more serious, affecting as it does fully a fourth of the entire population of the country.

It is not surprising to find the farm problem again figuring in the campaign this year. Both the Democrats and the Republicans are doing their utmost to win the great agricultural sections of the nation. Both President Roosevelt and Governor Landon are making glowing promises to the farmers. Each is trying to outdo the other, and seldom, if ever, in our history have the farmers been promised more by the two parties than they are being promised in these pre-election days.

### The Farm Problem

While there are many sides to the farm problem, it all simmers down to about this: During a large part of the last 15 years, the American farmers, 30 million or so in number, have been unable to make a decent living from the soil. This difficulty has arisen from a number of causes. They have produced more than they could sell, and surpluses have hung over the market. As a result, their prices have been low. They have been heavily in debt. They have had to pay relatively high prices for the industrial products they have had to buy. The relationship between farm prices and industrial prices has been out of balance ever since shortly after the World War. All attempts to solve the farm problem have had to bear these, and many other difficulties, in mind.

The Roosevelt administration, although it has taken more drastic action than previous administrations in Washington, is not the first to deal with the farm question. Under Presidents Harding, Coolidge and Hoover, much attention was given the problem. Under Harding, and again under Hoover, the tariff on agricultural products was increased in the hope that farm prices would rise. Although Coolidge spent a good part of his administration studying the problem, he refused to adopt the solution offered by farm leaders and accepted by Congress and vetoed all legislation of an important nature. Hoover's main contribution was the Federal Farm Board which was created for the purpose of buying farm surpluses in the hope of raising prices. But the Farm Board program did not work, for prices continued to decline. In fact, the program itself seemed to push them

(Concluded on page 8)



SEEM TO BE HOEING THE SAME ROW

—Fitzpatrick in St. Louis Post-Dispatch

## Advice to Rebels

About this time of year a good many students are running up against disappointments. They are finding courses which they do not like. Part of their work is pleasant enough, but there are subjects which seem especially difficult, uninteresting, or useless. The inclination will be to slight these courses. Students who are somewhat indolent will use them as excuses to avoid work. They will ask what is the use of plowing through subjects from which they will derive no benefit. With these indolent students we are not so much concerned. They will find some kind of excuse for inattention to their work anyway. But there are other students, energetic and ambitious, who may shun courses which are not particularly appealing. They may argue with good conscience that their full time should be given to fields which seem pleasant and promising. They may contend that certain of the courses are dull or stupid or that they have no value. Spirited students often rebel against the routines of school life and insist that they should be free to devote themselves to their own interests.

There is something to the objections which are sometimes raised against school and college routines. It is a fact that useless material often finds a place in a curriculum, while many vital problems are neglected. No student should go ahead year after year doing work which seems undesirable or useless. No young person should permanently permit himself to be a mere cog in an educational machine. It is a great mistake, however, for a student to jump too quickly to the conclusion that a subject is useless merely because, at the first sampling, he cannot see its value. One should give any course a fair trial of sound study before forming an adverse judgment respecting it.

Here is another consideration to keep in mind: It is very important that each student should form the habit of sticking to a job in the face of difficulties. It means something for one to meet requirements squarely and to go through with a course which has been selected; to go through it without squealing or shirking. After all, there is a great deal that is not pleasant in every position, whether in school or outside. Few people can find success by flitting about like butterflies from one flower to another, sipping sweets and avoiding everything which is disagreeable; everything which calls for untiring effort. It means something for one to prove that he can meet and conquer difficult situations. Our advice, then, to the young rebel is to put down the rebellion in his soul until he has proved that he is not holding back because of indolence, timidity, or short-sightedness. Eventually he must choose his activities in the light of his own reason. But for a while he should give great weight to the opinions of educational authorities. He will do well to prove to himself and others, that he can master the courses which are presented, taking the bitter with the sweet.

## Benefits Seen from French Devaluation

**Accord with U. S. and England to Keep Currencies in Line May Stimulate World Trade**

### FRANCE'S EXPORTS TO GAIN

**Move Toward Monetary Stabilization Hailed as Great Victory for Democratic Nations**

One day late last month all the newspapers carried headlines telling about the devaluation of the French franc. They reported that the governments of the United States and Great Britain were cooperating with the French in an effort to keep the currencies of France and all the other nations stable and secure.

That was about all the headlines told, and it was about as far, probably, as most readers went, for it must be admitted that the story appeared rather technical. It seemed that it would prove highly uninteresting except to persons who were concerned about problems of international finance.

But behind the headlines there is the story of a development which may affect the peoples of the world deeply. And unlike so many of the reports which the papers bring us these troubled days, the news of this development was good news—news of a more constructive nature than any which had been recorded in many a day. In order to understand the significance of this bit of financial news we must go back a few years, see what has been happening to the value of money in the different nations, how the changes in value have affected everyone, and how they have interfered with international trade.

### Background

We will go back to 1931 to begin our background story and we will start it with an action which was taken by the British government. The British, like so many other peoples, were then in the midst of depression. Prices there and elsewhere were falling, and that was very hard on debtors. For if people borrow a fixed amount of money—a certain number of British pounds, let us say—they must pay back that same number of pounds, plus interest. But if, when the time of repayment comes, prices and wages are down, it is very hard to pay the money back, for it is harder to obtain a pound than it was when everything sold for a good price and when one received a large amount of money for his work. Falling prices hurt not only debtors, but business generally. Merchants will not lay in supplies of goods if they think that by the time the foods can be sold prices will fall. So when prices are falling a country is likely to go deeper and deeper into depression.

It seemed to many Englishmen that something should be done to start prices upward. One way to do it, they thought, was to make each unit of English money less valuable. They would put less gold into the pound. Each pound of money—each paper pound (a bill ordinarily worth about as much as an American five dollar bill) would represent less gold. Then, it was thought, it would exchange for less goods. The pound would go down, which is another way of saying that goods and wages would go up. A thing which had been selling for five pounds might bring six pounds of the cheaper money. But debtors



would have to pay back only the number of pounds they had agreed to pay, so they would be better off, and business generally, it was thought, would be better off.

These arguments seemed quite persuasive, but of course they did not appeal to all Englishmen. Those, for example, to whom money was owed did not like the idea of a change in the value of money which would cause them to be paid back in money not so valuable as it was when they made the loans. Other Englishmen were proud of the fact that the pound always remained at the same gold value, and they wanted to keep it there.

How the discussion about cutting the value of the pound would have come out if the question had been decided on the basis of the arguments, no one will ever know, for outside forces, which we have not the time to consider here, forced devaluation. Great Britain went off the gold standard in the fall of 1931 and the value of the English pound fell. It fell so drastically that within a few months the pound was worth only about \$3.00 of American money. Before the fall it had been worth \$4.86.

#### Effect on Other Nations

It was immediately seen that this change in the value of English money would affect people in other nations as well as Englishmen. It had a decided effect upon Americans. An American could go to England with American dollars and exchange these dollars for a greater amount of English money than he could have exchanged them for before. He could take three dollars and exchange them for a pound, whereas be-



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THE UNITED STATES TREASURY

fore he had to give nearly five dollars in order to get a pound. This made it easier for him to buy English goods, for everything in England is priced, of course, in English money.

For example, let us say that a pair of shoes was selling in England for a pound. Before the fall of 1931 an American, in order to buy the shoes, had to pay \$4.86 for an English pound, and then buy the shoes with it. After the pound fell in value the American could get a pound for \$3.00, and if the shoes were still selling for a pound, he could buy them more cheaply, probably more cheaply than he could buy a pair of shoes in the United States. So there was a tendency for Americans to buy more English goods, and of course that hurt American shoe manufacturers and merchants. It hurt all American industries which competed with the English.

Of course it is likely that the shoes would be marked up to a little more than a pound after English devaluation. Prices were expected to rise. That was one reason, as we have seen, why many Englishmen wanted the gold value of their money to be cut. And prices did rise somewhat. But they did not go up so fast as the value of the pound went down. An English shoe which had cost an American \$4.86 before England went off the gold standard, may have cost around \$4.00 afterward. So the fall in value of the British pound made it easier for foreigners, including Americans, to buy British goods. British goods then competed more sharply with goods in other countries. At the same time it was harder for Englishmen to buy foreign goods. It was harder for them to buy American goods,



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AMERICAN SECRETARY OF THE TREASURY  
HENRY MORGENTHAU

because they had to pay American dollars for American goods, and they had to give a greater amount of their money than before in order to get our dollars.

So while the fall of the British pound helped the British in a number of ways, it hurt people in other countries. It hurt Americans. Because the pound had become cheap, foreigners whose money was still anchored to gold could get more pounds for their currency and could buy more goods. Americans who had formerly sold goods abroad found that their customers were buying goods from England. American prices were out of line with English prices, and there was danger that American exports would decline more and more because of the competition with English goods.

#### U. S. Leaves Gold

The United States itself left the gold standard as soon as the Roosevelt administration came into power. There were many causes for the decision of the government in Washington, not least among which was the bank panic which had caused large numbers of people to hoard gold or to invest their funds abroad. The decision was not taken as the result of a widespread popular demand, for the question of abandoning the gold standard had not been generally debated before the actual step came, like a bolt from the blue.

Immediately after we left the gold standard, the value of the dollar, in terms of other currencies, fell precipitately. It fluctuated in value from week to week and from day to day. Soon it had decreased in value to the extent that the old relationship between the dollar and the pound



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THE FRENCH BOURSE

was practically reestablished. Instead of the pound's being worth \$3.00, it soon became worth \$5.00. And whereas the French franc had previously been worth only four cents, it soon rose to more than six cents because France remained on the gold standard. But there was no fixed value between the various currencies, and one never knew from day to day what the dollar or the pound would be worth in relation to each other or in relation to the franc and the other currencies still moored to gold.

Early in 1934, the Roosevelt administration took a step which brought more order to the chaotic condition. It was then that the dollar was formally devalued. The amount of gold in each dollar was reduced to about three-fifths of what it had been before March 1933. From that time to this, there has been little fluctuation

in the value of the dollar in its relation to the pound or the franc. For the last two years, the English pound has been worth approximately \$5.00 and the French franc has been worth about six and two-thirds cents.

During the course of these two years, conditions in both England and the United States have shown a steady improvement. Whether this recovery has been due to the suspension of the gold standard is a matter about which there is considerable dispute. Certain economists point out that from the day England left gold, business began going upward and that the same thing happened in this country, and that it was the monetary policy which led to the improvement. Others dispute this view, contending that other factors resulted in the upward swing.

However that may be, France, which has rigidly stuck to the gold standard, has



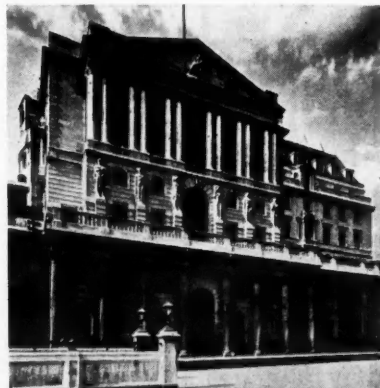
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FRENCH FINANCE MINISTER  
VINCENT AURIOL

had a difficult time of it. Business has not improved, and cabinet after cabinet has fallen as a result of its failure to start the recovery movement. France's export trade has fallen off as foreigners, with their currencies no longer tied to gold, have found French goods too expensive. The tourist trade, formerly mounting to hundreds of millions of dollars a year, was reduced by nearly three-fourths. For tourists whose currency had left the gold, Americans for example, the cost of living was too high as they received two-fifths fewer francs for every dollar or every pound.

#### French Fears

Frenchmen have in the past been bitterly opposed to leaving the gold standard. They have been afraid that if their franc were no longer tied to gold it would depreciate in value to such an extent that it would become practically worthless and they would become bankrupt through the high prices that would result. Many of them were ruined after the war because of an inflation which reduced the franc to a fraction of its prewar level. Those with fixed incomes (salaried workers and holders of investments in particular) stood to suffer losses from devaluation because they would receive only the same number of francs as formerly, but the franc would be worth less. Moreover, it was felt that if France left gold, the other countries would seek to prevent her from gaining an advantage over them and would further reduce the value of their currencies, thus forcing her to cut the value of the franc still further. In a word, they feared a currency war.



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THE BANK OF ENGLAND

It is doubtful whether the Blum government would have taken the important step of abandoning the gold standard and devaluing the franc if it had not received beforehand some assurance that such a currency war would be prevented. But the French government had such assurance because it had conferred with officials of both the British and the American governments. An agreement was reached whereby both England and the United States declared that they would not further reduce the value of their currencies in order to gain an advantage over France. In other words, they agreed to keep the value of their currencies fixed at the level decided upon after France left gold. A "gentlemen's agreement" to this effect was decided upon.

#### Agreement Essential

It is extremely important that some kind of agreement among the three principal countries should have been reached if serious trouble were not to result from the French action. For if the United States and England had not given their word not to change the value of the dollar and the pound, a period of fluctuation might have resulted and international trade would have suffered serious dislocations. Merchants, never knowing the value of foreign money from one day to the next, would have hesitated to sell goods lest the price fluctuate before payment could be made.

In fact, it has been the uncertainty relative to the value of money, rather than the actual fluctuations, that has been a disturbing factor in international trade during the last two years or so. There has been fear that the dollar or the pound would change in value before payment for goods could be made. There has also been



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BRITISH CHANCELLOR OF THE EXCHEQUER  
NEVILLE CHAMBERLAIN

the fear that France and the few countries remaining on gold would devalue their currencies, thus creating greater confusion.

While the three countries have not formally agreed to stabilize their currencies at the levels now existing, the upshot of the latest development on the international financial front amounts to precisely that.

There is thus a real prospect that we have now reached a period of stability. That is what makes the news of French devaluation and of British and American cooperation so important. This is, in fact, probably the most important of the constructive or helpful economic developments of the year. It paves the way for an increase in international trade and for greater cooperation and good will among the nations.

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# AROUND THE WORLD



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## ANDORRA-LA-VIEJA

For about 900 years the people of this tiniest of European republics have led a more or less independent existence.

**Spain:** With the capture of Toledo by rebel forces, the Spanish civil war seems to be entering its final phase. Led by General Francisco Franco and apparently aided by reinforcements from Germany and Italy, the insurgents are now pressing northward to Madrid, which they intend to encircle and force into submission. As a last desperate measure, the loyalist defenders opened a dam on the Alberche River, hoping that the insurgent advance to Madrid would be delayed, if not stemmed altogether by its rushing waters.

Meanwhile, life in the capital, as in other loyalist centers, has been pursuing a fairly normal course for so troubled a time. Outwardly, of course, there have been a number of changes. Troops are stationed in front of banks, government buildings, and at important intersections. The streets are darkened after 11 o'clock at night to prevent enemy air raids. Flags and streamers, pledging loyalty to the government, fly from homes and automobiles. But aside from these indications that beyond Madrid a fierce struggle is taking place, activity seems to be normal. Cafes and theaters are being patronized. The large department stores continue to enjoy their trade. Public utilities provide their usual services. There has been no outbreak of disorder or looting. When necessary, public committees have taken over hotels and clubs as feeding centers for children.

\* \* \*

**Andorra:** Huddled in a valley in the Pyrenees, with territory hardly large enough to merit a speck upon a European map, the 6,000 inhabitants of the tiny state of Andorra have become somewhat concerned with the Spanish civil war. For about 900 years, they have led a more or less independent existence, content with their ancient ways and the simple life afforded them by the grazing of sheep. Nominally they have been under the combined rule of France and the Spanish bishop of Urgel. But so long as they paid their annual tribute of several hundred dollars to these overlords, they were left unmolested. Their concern now has to do with the outcome of the civil war. They have much sympathy with the loyalist government, for all of them speak the Catalan language and Catalonia has long been the source of liberal movements in Spain. It was this democratic tradition

which brought about a revolt in Andorra three years ago, resulting in universal male suffrage. On the other hand, they are faithful adherents of the Catholic church, and want to be certain that their freedom of worship will not be interfered with. No one seriously believes that the Andorrans will not be permitted to live as they wish. Their army of 600 mountaineers, it may be certain, will not have to be called upon to defend them.

\* \* \*

**Palestine:** Presumably to suppress the Arab disorders which have been going on for six months, the British government has now stationed 17,000 troops in Palestine. According to a reliable source, however, this strengthening of the garrison has a far more important purpose, related to the interests of the empire. It is generally recognized that during the past year British supremacy in the Mediterranean has been stubbornly challenged by Italy. The conviction has grown in London that if free passage to her colonies is to be maintained, England will have to fortify her position along the Mediterranean shores. She cannot do so in Egypt because pressure there has forced her to agree to a gradual withdrawal of her troops from Cairo and Alexandria. There thus remain but few strategic spots from which to guard her rights in the Mediterranean. Palestine is one of these.

But under the terms of the League of Nations mandate over Palestine, no soldiers are to be maintained there except as these may be necessary for police purposes. The riots in Palestine thus occurred at a convenient time, and under the guise of establishing order, the British government has been able to serve the needs of the empire.

The facts seem to indicate that this interpretation is not exaggerated. The Palestine chief of police offered, some time ago, to end the disorders in several days, but the colonial government refused to give him the right to do so. The barracks being built to house the newly arrived soldiers are obviously intended to be permanent. Moreover, airports for military purposes are being planned in various parts of the country.

\* \* \*

**Irish Free State:** Five years ago, the Irish Free State launched a movement to make itself economically self-sufficient. It was the intention of President Eamon de Valera that his people should themselves be able to produce all that they may need in the way of food, clothing, and shelter. It has now been announced that this program is almost complete. Wheat acreage

has trebled during the past five years, and the flour is all being milled in Ireland. There is enough meat, milk, cheese, and poultry not only to satisfy the demands of the domestic market but also for export. Shoes are being made in Dublin, as is also men's clothing. Moreover, most of the materials being used in the construction of buildings are domestically produced.

\* \* \*

**Afghanistan:** The extent to which modern civilization is penetrating the farthest reaches of the Asian interior is well illustrated in what is taking place in Afghanistan. There, the young ruler, Zahir Khan, who is well educated, has been playing a subtle game to obtain foreign aid for his primitive country. He has made alliances with various countries, and from each his bargaining power has wrested some important concession for his people. Thus, he induced Iran to build a telegraph line between Kabul, his own capital, and Teheran. Previously there had been built, with German capital, a large munitions factory, thereby assuring the Afghans of proper defense.

But the most spectacular of the accomplishments of this young ruler has been the extensive agreement he has made with Japan. A group of Japanese industrialists was royally received by the ruler, and before three weeks had passed, they had agreed upon a plan for the industrial and agricultural improvement of the country. With characteristic thoroughness, the Japanese have already set up a chamber of commerce in Kabul. They have sent geologists to remote parts of the country to explore its riches, and have begun to build factories and power plants.

\* \* \*

**Bolivia:** Despite the fact that governments in Bolivia are far from stable, that country is making fairly rapid progress in the development of its industry and its agriculture. The chief difficulty that Bolivia has had to face arises from the fact that she is an inland country without access to the sea and thus dependent for her prosperity upon her railroads and highways. Fortunately, her neighbors, including Brazil, Argentina, and Chile have seen the advantages to be derived from a yet unexploited market of 3,000,000 people and have thus been cooperating with the Bolivian officials in plans for a system of communications. This has been especially true of Chile, which has been anxious to have her manufactured articles sold in Bolivia in exchange for livestock which she can well use in her thickly populated nitrate and copper districts.

It must be conceded, however, that this



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## POPE PIUS WARNS

The Pope recently addressed a group of Spanish refugees deploring the evils of Communism and Fascism.

progress, while fairly rapid, is far from universal. Although the larger cities, such as La Paz and Sucre, are beginning to hum with power plants and factories, the villages still persist in their primitive ways, which, however romantic they may seem in the eyes of passing tourists, nevertheless imply ill health, poverty, and undernourishment. The government is supposed to be democratic, but since the vast majority of the people are illiterate they have no voice in their government, literacy being required of all voters. The rulers, too, sometimes display a rather naïve understanding of economics. Recently, the government passed a law requiring that all workers be given jobs, though how that was to be accomplished was never made clear.

\* \* \*

**China:** A good part of the Japanese navy and several thousand extra Japanese soldiers and marines have been sent to China recently, as a result of a series of attacks on Japanese in that country during September which caused nine deaths in various cities and almost precipitated an open fight between Japanese and Chinese soldiers near Peiping. The killings aroused less public excitement in Japan than might have been expected, and the Japanese government is said to favor mildness in dealing with the situation created by these new expressions of the steadily growing anti-Japanese feeling in China. But the Japanese army and navy may feel that the excuse which they have been wanting has been provided for drastic new demands on China. On the Chinese side, the big display of Japanese force is stirring up even stronger feeling against the Japanese, and if new demands are made, the Chinese government may find itself compelled by public opinion to say "No," and to prepare for the armed resistance to Japanese aggression which many Chinese feel should have been started long ago.

\* \* \*

Efforts of Great Britain and France to keep Ethiopia from being seated in the League of Nations Assembly failed surprisingly. Supported by Soviet Russia, a group of the small powers decided that the credentials of the Ethiopian delegation were in order. Italy, as a result, refused to send her representatives to Geneva.



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## VILLAGE STREET IN KILMESSAN, IRELAND





THE FIRST GAS MAP OF AMERICA

Senator Robert M. LaFollette of Wisconsin and Senator Elbert D. Thomas of Utah inspect a map showing the use and sale of gas-spreading equipment in industrial disputes. The map was prepared for the Senate Civil Liberties Committee which is investigating strikebreaking activities.

## Social Security

One of the important issues of the presidential campaign was clarified last week. Governor Landon stated his position clearly on the problem of social security, and as a result of his speech the differences between the parties on that problem stand out quite clearly.

There are, of course, many sides or aspects to the social security act which was put into operation last year. One feature of it is unemployment insurance. According to the act, the problem of providing unemployment insurance, or of giving benefits to men who are out of work, is left to the states. Each state writes its own law. The federal government, however, offers a very strong incentive to each state to provide some kind of unemployment insurance system. It levies a tax on all employers of all states—a tax which is to create a fund out of which benefits are to be paid for a while to workers who lose their jobs. If a state has no unemployment insurance system, its employers pay the tax just the same. If it does provide for

The present law contains another feature which Governor Landon would scrap. In addition to providing for assistance to the aged poor, the present law creates an insurance program. Practically all workers, except certain classes such as those engaged in domestic service and farm labor, will be in this insurance scheme. A tax is placed on the wages of the workers. At first it is one per cent and then it is increased until it reaches three per cent. A similar tax is placed on the payrolls of employers. These taxes create a fund out of which insurance benefits will be paid to workers after they reach the age of 65, the monthly payments they will receive depending upon the amount they have paid into the fund.

Governor Landon vigorously attacks this part of the plan. He would do away with the insurance feature altogether. He would have relief given only to the poor who are actually in need, and the money to supply assistance to the needy old people would be raised by general taxation. He does not specify the type of taxes to which resort should be made.

John G. Winant, chairman of the Social Security Board, has resigned from his position in order to defend the act against the attack made upon it by Alfred M. Landon. Mr. Winant declared that the Social Security Board in his opinion should be nonpartisan and that its members should not take part in political controversies. But since Governor Landon has attacked basic principles of the law, Mr. Winant has decided to resign and come to its defense.



SURE, I'M FOR LIBERTY

—Elderman in Washington Post

unemployment insurance, 90 per cent of the tax collected within the state is paid back to the state and this money may be used to pay the benefits. Governor Landon would have this part of the law repealed completely. It would leave it to the states to enact laws or not to enact them as they see fit, without any inducements by the national government.

Another feature of the law provided that the national government shall assist the states in giving old-age payments to men or women over 65 who are in need. The government will match the states dollar for dollar up to a total of \$30 a month per person. Governor Landon would continue that provision and would make it the basis for the entire old-age assistance program. As a matter of fact, he would make it practically the entire old-age relief plan.

## Lawrence Simpson

Many Americans have expressed indignation because an American citizen, Lawrence Simpson, was arrested more than a year ago in Germany, held 15 months without trial and without being permitted to get into communication with anyone, was finally brought to secret trial, convicted of bringing anti-Nazi literature into Germany, and sentenced to three years' imprisonment. Simpson is charged with being a communist and with having communist literature, presumably for distribution in Germany, in his possession. He was arrested on an American liner, the *Manhattan*. His locker was searched and the literature is said to have been discovered. The report from the German government is that Simpson admitted having the literature in his possession and having sought to distribute it among members of the *Manhattan's* crew.

The United States Department of State took the case up with the German government while Simpson was in prison and insisted that he be given a fair trial. Whether or not the American government took strong enough action is a question which is being hotly disputed. The facts in the case, the exact nature of the American protests and the manner in which the trial was conducted, are not entirely clear. The points of international law involved are, however, clear enough.

According to international law, it was the

# The Week in the

## What the American People

duty of the German government to treat this American citizen as a German citizen would have been treated under similar conditions. The United States government has a right to demand that the German government treat Americans in Germany as it would treat their own citizens. But more than that we cannot insist upon. If an American goes to Germany he is supposed to live under German law and to be subject to every penalty to which Germans are subject. All he can ask is that he be not discriminated against because he is an American. Similarly, if a German or any other foreigner comes to America, he must live under American law and be satisfied with such protection or lack of it as American citizens receive.

problem is contemplated from such viewpoint you get precisely nowhere. For there is no criterion by which such standards can be checked.

As a matter of fact, the talk about the fundamental incompatibility of public and private enterprise is denied by the facts of our everyday life. We drive privately manufactured automobiles over publicly manufactured roads, and the automotive industry is not clamoring for the right to build highways, nor do many of us



ONE BUMPER CROP

—Fitzpatrick in St. Louis Post-Dispatch

## Strikebreaking

Some very disquieting information has been presented to the Senate Civil Liberties Committee, which is headed by Senator LaFollette of Wisconsin and which is investigating the strikebreaking activities of professional strikebreakers. There are several organizations in the country which hire out men to employers to break up strikes, and they have been doing a highly profitable business. The story of some of their activities has been told by their men who have been called before the Senate committee.

Private "guards" engaged by employers have dynamited buildings and have stirred up shooting frays, and engaged in other terroristic activities in order to make the public think that these things were being done by the strikers. Numerous spies have been placed in plants to win the confidence of workers and then to report on their beliefs and activities. Strikebreakers and private guards, many of them with police records, and many picked up from the alleys and gutters of big cities, are frequently armed with machine guns, tear gas, and riot guns to deal with strikers. One of the outstanding strikebreaking organizations, the Railway Audit and Inspection Company, which does business with 67 firms, orders its men in some strikes to "slug" the workers.

Other testimony brought out at the Senate committee hearings is that almost \$50,000 worth of semi-poisonous gas was sold to companies for use against strikers during the three years from 1933 to 1935. Gas bombs and bomb-throwing equipment, it was testified, were sold to several great corporations. The next Congress will be asked to consider these charges.

think that the state could manufacture cheaper and better automobiles. We drink privately manufactured beer and publicly piped water. We transport ourselves by vehicles which are public, private, and a combination of both. We send our children to public schools and to private universities.

It is extremely desirable that cheap power should be made available to the hundreds of thousands of Americans who still burn kerosene lamps and run agricultural machinery by hand or by expensive, individually installed motors. And it is obvious that private enterprise alone has thus far failed to furnish such power to thousands of isolated farms. . . . And, certainly, if private initiative cannot meet the problem, private plus public enterprise could.

## Electrified Farm

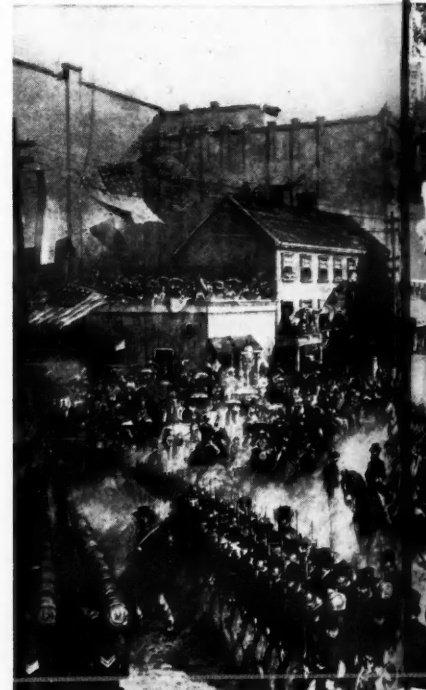
It is frequently said that there is almost no limit to what electricity might do in the farms and factories of the nation if it were used to the fullest possible extent. An illustration of what a quite completely electrified farm would be like may be seen by those who visit a farm in Fairfax County, Virginia. The farmhouse is 200 years old and was at one time used by Robert E. Lee as his head-

## Power Conference

President Roosevelt called the executives of a number of the big electric utility companies to meet him for a conference in the White House on September 30. The object was that the government, which, through the TVA, is producing power in the Muscle Shoals district, should confer with the leaders of the private power companies and arrange a means whereby the government and the private companies might pool their resources and work together to develop the maximum amount of power as cheaply as possible and serve the people effectively, without wasteful competition.

Dorothy Thompson, writing for the *New York Herald-Tribune*, sees great hope in the coöperation between private and public enterprise which this conference may inaugurate. She makes this comment:

This column has never been able to see that there is any insuperable barrier between private and public enterprise provided an objective and realistic criterion is laid down. There are, of course, people—and some of them have considerable authority in Washington—who seem to think that there is some superior morality in public enterprise, and that all private enterprise is just the functioning of the predatory instinct. On the other side is a group who attribute superior moral qualities to private enterprise, and apparently assume that every step toward public enterprise—usually referred to as an "encroachment"—indicates that the nation is rapidly sliding into decadence or Communism. As long as the



THE FIRST

In 1865 the Grand Army of the Republic paraded through the capital. In 1936 a few hundred of the remnants of the same army



# The United States

## Doing, Saying, and Thinking

quarters. General Stonewall Jackson at one time conferred with Lee on this farm, now owned by a man named J. M. Hughes. The *Christian Science Monitor*, in describing this electrified farm, says:

The generals would not know the "Rosedale" farm today. Mr. Hughes plows his fields in a tractor equipped with a radio bringing the latest

even churns with electricity now. Water required by the air conditioner that keeps her dining room cool in summer goes through the irrigation system, thus playing the double role of cooling the house and watering the garden.

Mr. Hughes has his shop where electricity aids him in repairing farm machinery. He shells his corn, mixes his feed, and saws his wood electrically.

### First Lady Criticized

Mrs. Roosevelt has frequently been criticized because she has written for newspapers and spoken over the radio for money. It has been said that this is beneath the dignity of the First Lady of the Land; that the President and his family should speak without charge if they have anything to say to the American people. This criticism was repeated forcibly last week by a Washington attorney, Miss Pearl McCall.

Mrs. Roosevelt made no reply to this attack, but an official of the Democratic National Committee has called attention to the fact which has frequently been stated before, that Mrs. Roosevelt herself receives none of the money which is paid for her articles and her addresses. All of it goes to charity. Practically all is paid directly to the Friends' Service Committee of Philadelphia. It does not even go through Mrs. Roosevelt's hands. Quite a little of the fund has been used to finance schools at the Reedsville, West Virginia, subsistence homestead project, and part of the fund has gone for medical service and other assistance to needy families in Reedsville and elsewhere.

### Better Off

Are employed workers better off than they were a few years ago? Have their wages gone up as fast as the cost of living has risen? Can they actually buy more than they could have purchased some time ago? John T. Flynn, well-known economist who syndicates articles analyzing economic problems in many newspapers, answers these questions by saying that workers are at present better off than they were three years ago. At that time, the average factory wage in the United States was \$17.71 a week. Now it is \$22.92, an increase of 29 per cent. During this time, the cost of living has gone up 20 per cent, leaving the workers who have jobs in a position to buy considerably more than they could have bought in 1933.

Mr. Flynn feels, however, that the worker is threatened with a continued increase in the cost of living. There are several reasons, he thinks, why prices are rising. Most important among them is the fact that, while the production of goods of all kinds is increasing, the demand for them is increasing even faster, due to the fact that the purchasing power of the public is going up. The rapid increase in the demand for goods is causing a rise in prices.

Interesting figures bearing on the economic situation are presented by Mr. Flynn. The national income in 1933 was 45 billion dollars. In 1935 it was 55 billion, and it is estimated that in 1936 it will be 63 billion, an increase of 43 per cent over 1933. Bank time deposits during this period have increased 66 per cent. These figures were brought out to show the extent to which the purchasing power of the people has risen.

### Secretary Woodring

Harry H. Woodring, former governor of Kansas, has been appointed secretary of war to fill the vacancy left by the death of George H. Dern. Mr. Woodring had been assistant secretary of war, and thus his appointment came as no surprise. It is intimated, however, that his position in the cabinet may only be temporary. President Roosevelt was obliged by law to fill the vacancy within 30 days, and did not wish to make a permanent appointment until after the election.

The President may, of course, decide to keep Mr. Woodring in the cabinet, but if



© Wide World

JOHN AND JIM

John D. M. Hamilton and James A. Farley, chairmen of the Republican and Democratic National Committees smiled and applauded each other's speech at the sixth annual New York Herald Tribune Forum in New York City. Other speakers to the forum were President Roosevelt, Governor Landon, Norman Thomas, Earl Browder, and William Lemke.

he does so it will be in the face of certain opposition. The new secretary of war has openly advocated military training in the CCC camps, and has talked about the ability of the army to combat "social revolution." These views have made him decidedly unpopular in many circles.

### Gloomy Figures

Three hundred more Americans were killed by automobiles in August than in July, this year, even though the total for August was a little less than for the same month last year and the total for 1936, up to September 1, is 22,020 killed as compared with 22,480 for the same eight months of 1935. But the National Safety Council, which gives these figures, is gloomy about the situation in spite of this two per cent decrease for the year, because of the marked increase in the number of young people killed. For the group between 14 and 24, the figures for the first seven months of 1935 were 3,340, and for 1936, 3,490. Medium-sized cities have the worst record; those with populations between 25,000 and 50,000 had 21 per cent more automobile deaths in August this year than in the same month last year.

### Prison Reform

The American prison is slowly developing from an institution of punishment to an institution of reform. Inmates of more advanced prisons are being given every possible opportunity to become useful citizens when the term of their confinement expires.

This important trend was revealed at the convention held recently in Chicago by the American Prison Association. A. G. Fraser, executive secretary of the Pennsylvania Prison Society, describes it as follows: "The prison is becoming a treatment center whose program radiates into the community. It is equipping itself to go the whole way in applying the theory of study and treatment. The community would do well to look to prison officials and other penologists for leadership in this field."

"Emphasis has been more and more on the development of constructive devices within the prison to improve the prisoner, beginning with the idea of education and reform, and culminating in the highly developed prison program of work, education, recreation, and cultural activities as well as the classification, study, and treatment of the prisoner as an individual."

\* \* \*

### "Public Enemy No. 1 is Old Man Politics."

Such is the firm opinion of J. Edgar Hoover, director of the Federal Bureau of Investigation and better known as head of the justly famous G-men. Addressing the annual convention of the International Association of Chiefs of Police, Mr. Hoover declared that the control of crime is for the most part a local problem and that the greatest need of communities is for better trained, better paid and politically free policemen.

## THOUGHTS AND SMILES

Doctors advise taking a little salt with one's drinking water to avoid ill effects of the heat. The heat of the political campaign also will be more endurable if a grain of salt is taken with the speeches of the politicians.

—Lincoln County SENTINEL

"A New York couple is sacrificing everything for their prodigy son, whose relaxation is playing Bach." Yet some day he'll probably be playing half Bach.

—New Haven JOURNAL-COURIER

Fifty years from now we'll have presidential candidates claiming to have been born in a log trailer.

—Kansas City STAR

The greatest achievement of modern times is the peaceful existence for more than a century of the 3,000-mile unprotected frontier between the United States and Canada.

—Lord Snell, British statesman

A 100-year-old California woman has used the telephone only once in her life. She's rather



ANCHORS AWEIGH

—Cargill in Scranton (Pa.) Times

feeble, though, and in the next few months may hang up.

—New Haven JOURNAL-COURIER

Jim Farley says the Republicans are trying to frighten men into voting against Roosevelt by predicting disaster. It is nothing but a scare-the-wealth movement.

—NEW YORKER

If the American Legion has one mission above another, it is to see that the privilege of liberty, of individual liberty, is not surrendered in deference to any political heresy.

—Newton D. Baker, former secretary of war

An astrologer sees a Roosevelt victory in the stars. But the eminently practical Mr. Farley would prefer to see it in the bag.

—Trenton STATE GAZETTE

Figures show that the average beard grows only six inches a year—conclusive proof that the country could not turn Bolshevik overnight.

—Boston EVENING TRANSCRIPT



THE GIFT OF SIMPLE SPEECH

—From the Uniontown (Pa.) Herald

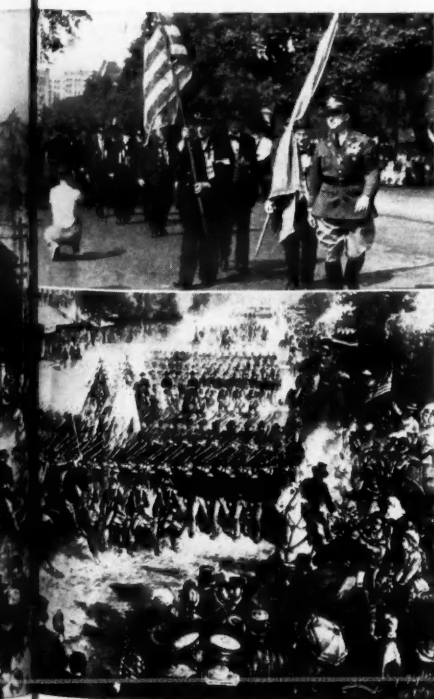
tunes from Broadway to entertain him while he works.

The pigs are kept in the barnyard and the cows kept out by a single electrically charged wire fence. Once shocked, the animals do not venture near the fence again, REA guides tell you. One of them, taking a party around recently, was amazed to see a hog scratching his back on the electric fence. He found the current had been off for two hours.

Dairy barns and milk sheds always attract flies, and Rosedale is no exception. Here, however, doors are protected with low-voltage screens that instantly burn flies to a crisp. On the Hughes' farm there is plenty of electrically pumped and electrically heated water. Cows are milked, clipped, and cleaned with electrically operated apparatus. Young chicks are kept warm in an electric brooder; electric lights in the hen house make a longer laying day for the hens in the winter, and immersion heaters keep their water from freezing.

One member of the Hughes family formerly drove three miles each day for ice before the advent of the electric refrigerator. In the kitchen is the big coal range that Mrs. Hughes used before she got her new electric stove, and close by is the picturesque but inconvenient open fireplace where the first owners of Rosedale prepared their meals.

Mrs. Hughes sews, sweeps, washes, irons, and



—U. & U. and U. S. Signal Corps

LAST MARCH

phantly up Pennsylvania Avenue in the national War veterans marched for the last time up the street.



## Historical Backgrounds

By David S. Muzzey and Paul D. Miller

### Fundamental Causes of the American Revolution

IF WE are to prepare ourselves for an understanding of the true causes of the American Revolution, we must seek to get behind the external picture and find the fundamental forces which were at work. We may be certain that if the colonists rose up in arms against the mother country, it was because they had grievances which vitally affected their livelihood, for people do not frequently resort to such extreme measures unless their pocketbooks have been made to suffer. As a matter of fact, the issue which divided the 13 colonies



DAVID S. MUZZEY

and England in the years before 1776 were not essentially different in character from those which have harassed us many times since and which to a certain extent are with us today. They are not fundamentally different from those which caused one section of the country to go to war against another during the Civil War. They are almost identical with those which have caused political agitation time and again from the Civil War to the present.

Simply stated, the issue during the first half of the eighteenth century—the issue which grew more bitter until it reached a climax with the famous Boston Tea Party and other acts of open rebellion—was this: For a long time, nearly a century, in fact, the British government had been pursuing a policy toward its colonies in America that did not always work to their benefit. In the opinion of those who determined economic policy, the British parliament, colonies existed for the benefit of the mother country. They should be used to enrich her. They should serve as sources of supplies for the raw materials she needed to run her industries, and at the same time as markets for her various products. Their trade should be reserved to the mother country and foreign nations should be deprived of it. British ships should be used to carry on this trade. Stripped of all its technicalities, a policy of this kind is known as mercantilism.

#### Mercantilism

Mercantilism was a logical development of the economic and political conditions that prevailed in England during the seventeenth and eighteenth centuries. Step by step, a new class had risen to power in that country. Whereas government had formerly been in the hands of the land-owning aristocracy, it gradually fell into the hand of the merchants, the rising middle class. Early in the eighteenth century, the British parliament was under the iron rule of the landowners and prosperous merchant class. Now, it was only natural that these classes should seek a colonial policy that would benefit them. It was natural that they should want to monopolize the trade of the colonies and to prevent the colonies from doing anything that would injure them. We may be sure, for example, that manufacturers of a certain product would be bitterly opposed to the rise of a similar industry in the colonies lest that industry not only deprive it of the colonial market, but also compete with it in other markets.

The Navigation Acts, the trade laws, the laws restricting manufacturing in the colonies, the measures prohibiting the issuing of paper money by the colonies; these and all the other laws regulating the economic activities of the colonists resulted from the pressure brought to bear by interested groups. The landowners and woolen manufacturers had no intention of seeing a competing industry develop in America, especially when this business accounted for a third of England's export trade at the

beginning of the eighteenth century. Nor did the iron industry, nor the hat makers. Nor did the British capitalists who had large sugar and molasses interests in the West Indies intend to sit by and permit French and Spanish and Dutch to profit by the lucrative trade with America. So they succeeded in putting through a bill placing a tax on foreign molasses and sugar entering the American mainland.

#### Favored Britain

It is undoubtedly true that the colonies derived certain substantial benefits from the mercantilist practices of the British government. Many of their products were sold in unusually large quantities because of the favorable treatment they received in Great Britain. Be that as it may, the fact remains that the policy was inaugurated mainly to enrich the ruling classes in England and not to serve the economic interests of the colonies.

It would be possible, of course, to examine the more important of the regulatory laws affecting the colonies and to see how they affected the different classes in America. By preventing the colonies from importing their goods from foreign nations, the English caused merchants, and consequently consumers, in this country to pay a higher price than they would otherwise have had to pay. By the sugar and molasses duties, the rum distillers of Massachusetts were forced to pay higher prices than they would have been obliged to pay if free trade existed. It is not surprising, then, that there were bitter complaints and that a Boston newspaper, more than 10 years before the Declaration of Independence, cried out, "A colonist cannot make a button, a horseshoe, nor a hobnail, but some sooty iron monger or respectable button maker of Britain shall bawl and squall that his honor's worship is most egregiously maltreated, injured, cheated, and robbed by the rascally American republicans."

The clash of economic interest between the colonists and the British merchant class was by no means settled by the Revolution. It was merely shifted. It became a conflict between sections of the United States. As this country gradually emerged as a great industrial country, rising industries insisted upon governmental policies which would benefit them, just as the ruling classes of England had done before them. With their increase in strength, they succeeded in putting through Congress tariff laws designed to protect them against competition from abroad. The protective tariff benefited them to the extent that they were able to build the greatest industrial nation in the history of the world. But it did not benefit those whose income was derived from sources other than manufacturing. The farmers, particularly the cotton growers of the South, received no such benefits and were actually injured, for their product had to be sold abroad cheaply, and the things they bought were expensive because of the tax effected by the tariff. The great conflict between these two opposing economic interests became so acute that it finally resulted in a war between the sections in the 1860's.

The issue has by no means been settled today. Governmental policies (notably the tariff) have time and again caused political upheavals among those classes of the population which have considered themselves injured. The farmers, forced to sell a large part of their product on the foreign market, have resented a tax, in the form of the tariff, on all the industrial products they have bought. As efforts to appease them have been made by placing duties on farm products, they have still failed to benefit, for their principal difficulty has never been competition from abroad, but failure to sell their products on a basis of equality with industrial products.



—From a drawing by Sturges in Christian Science Monitor

#### WHERE NEW ENGLAND FLOWERED

The "Old Manse" in Concord, Massachusetts, famous in the literary history of New England. It was built in 1769 and later became the home of Nathaniel Hawthorne.

## Among the New Books

### Literary History

"The Flowering of New England, 1815-1865," by Van Wyck Brooks (New York: E. P. Dutton Co. \$4).

THIS volume is the first of a series in which Mr. Brooks, the distinguished American critic, will trace the cultural growth of America. Quite properly, as the author indicates, any such history must begin with the flowering of the New England mind in the first half of the nineteenth century. Up to that time, the intellect of America was but a mirror of the Old World, reflecting the latter's cultural and social sympathies. But then, from Concord, from Cambridge, and from their intellectual suburb, Boston, there came men such as Emerson, Thoreau, Longfellow, and Hawthorne, who molded a mind that was New England's own.

Precisely what that mind was, it is of course impossible to state by some convenient formula. But its luxuriant pattern becomes clear in Mr. Brooks' account, which teems with a compelling array of knowledge, a wealth of revealing detail, and a crunching wit.

### That Man Nash Again

"The Bad Parent's Garden of Verse," by Ogden Nash. Illustrated by Reginald Birch (New York: Simon and Schuster. \$2).

HOWEVER much the flux of time may change everything else in our rapidly revolving world, it leaves untouched the humor and wholesome nonsense of Ogden Nash. If Mr. Nash changes at all, it is only in the source of his inspiration. Until some time ago, he was but a husband, so that the scope of his wit was necessarily limited. But now he has matured into parenthood, with the result that he has directed his most elegant efforts to his children. One must ignore the title of his volume. He could have called himself a bad parent only in a moment of unguarded

modesty. It requires but a hasty glance into these pages to be convinced that he is really a well-behaved parent with a respectful regard for what his children consider proper and seeming. If they wanted a lesson in zoology, he would give it to them in the most concise and unconfusing manner:

The cow is of the bovine ilk;  
One end is moo, the other, milk.

It it were grace in literary style that they demanded, an exercise in the accurate misuse of the English grammar, he would not flinch. His fertile mind would produce the following masterpiece:

Little gamboling lamb,  
Do you know where you am?

### A Portrait of Brahms

"Brahms," by Karl Geiringer. Translated by H. B. Weiner & Bernard Miall (Boston: Houghton Mifflin Company. \$4).

WHAT is distinctive about this biography is its restraint, its good judgment, and its sense of the appropriate. Unlike many of those who write of genius, Dr. Geiringer does not find it necessary to mount his subject upon a dais of rhetoric. He marshals no phalanx of servile adjectives. For all his obvious and understandable admiration for the composer Brahms, he writes with detachment and honesty. As a result, this volume presents one of the few human and altogether believable portraits of Brahms that we have. By unobtrusively weaving it into the body of the story, the author has made excellent use of a mass of hitherto inaccessible material.



Brahms at the age of twenty.

### Prewar Balkans

"Cradle of Life," by Louis Adamic (New York: Harpers. \$2.50).

AGAINST the political and economic background of the Balkans in the prewar day, Mr. Adamic constructs a plot of somewhat fantastic and fairy-tale dimensions. His purpose is obviously to point a social lesson—to show the economic injustices and inequalities between the upper and lower classes and to contrast the mode of life of each. Through his hero, Rudo Stanka, who, though of aristocratic birth, spends the early part of his life among the peasants, the author bridges the gap separating the two extremes. The book has many weaknesses but it presents an excellent picture of the Balkan country before the outbreak of the World War



FROM A DRAWING BY REGINALD BIRCH FOR "THE BAD PARENT'S GARDEN OF VERSE"





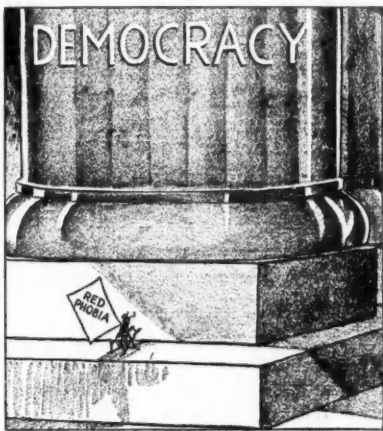
## Is the Roosevelt administration radical? Conservative objections to New Deal policies and actions. What do the radicals think of the same policies?

THESE three imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

**Charles:** Here we are again. What shall we discuss this week?

**John:** I'd like to take a shot at President Roosevelt's radicalism.

**Mary:** You haven't been taken in by what the Hearst papers are saying, have you? It seems to me that William Randolph Hearst is so thoroughly discredited that no intelligent person would pay any attention to charges he makes. His charge that the President is working with extreme radicals is utterly silly.



TOO BIG A JOB FOR A TERMITE  
—Doyle in N. Y. Post

**John:** I'm not thinking about Hearst or anything he or his papers have said. As a matter of fact, I wouldn't want to be caught reading a Hearst paper. I do think, however, that the New Deal is decidedly radical, and I don't like it.

**Charles:** My objection to the Roosevelt administration is exactly the opposite. I think the President is too conservative.

**Mary:** That is interesting. I'd like to hear the objections of both of you. So far as I'm concerned I don't class myself as either a conservative or a radical. I'm a liberal or progressive. And, as you know, the Roosevelt administration suits me pretty well. You are a conservative, John, and it seems that the New Deal looks "red" to you. What is there about it that is really radical?

**John:** Well, for one thing, the Roosevelt administration is putting the national government into business. Through the Tennessee Valley Authority the government is producing and selling electricity in competition with private companies. That is a step toward socialism.

**Mary:** I don't think it is. It is a common thing for public utilities to be publicly owned. Many of the cities own their own electric light plants because the production and sale of electricity in any community is a monopoly anyway. That is the kind of industry the public takes over even when government is not socialistic at all. The cities aren't taking over factories, and neither is the national government.

**John:** But the government isn't stopping with public utilities. In competition with private industry it is entering the housing business. In competition with banks and other lending agencies, it is buying up farm mortgages and home mortgages. It is going into the business of lending money. Furthermore, it undertook, through the NRA, to regulate wages and prices and output in all industries. It is trying to guide the industry of the country. That, it seems to me, is a step toward socialism.

**Mary:** Again I must say that I don't agree with you. The government is making many loans; it is keeping farmers from losing their farms and home owners from losing their homes, but even the Hoover administration did that.

**John:** A certain amount of lending the government must do, I will admit, but I deny that it needs to get into the business to anything like the extent that it has under the Roosevelt administration. It has practically taken over the work of banks. To too great an extent it controls banking policy, and in my opinion it has started in the direction of government ownership and there is no telling where it will stop.

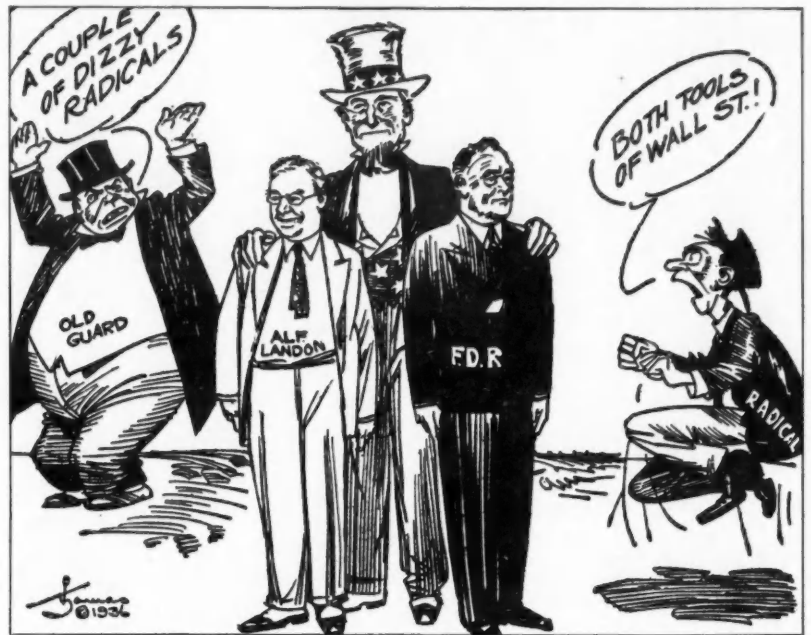
There is another objection which, as a conservative, I have to Rooseveltism. The government is pouring out relief too freely. It is feeding thousands of people who could get jobs if they would. It is pauperizing the unemployed. Those who are actually in need ought to be cared for. They should be cared for by their own communities. If the towns and counties need outside help, which they do in some cases, the national government should lend them money, but the people of the community should themselves assume the first responsibility of caring for the needy. They should be the ones who decide who is to be on relief, and they should distribute the assistance.

Another thing I don't like! The government is taking sides in favor of organized labor. It is encouraging labor to organize, and is giving organized workers reason to believe that it will help them out in all their fights. As a result of this encouragement, labor strife has developed. There are class hatreds. The government should be strictly impartial in the conflict between capital and labor.

**Mary:** All that the administration is doing is to try to see that there is fair play between employers and workers. It believes that workers have the right to organize just as employers do, and when big corporations try to prevent workers from organizing by using violence against them or browbeating them, the government takes a hand to see that fairness and democratic methods prevail. That's all it is doing. And as for the encouragement of class strife and hatred, it seems to me that that will develop much faster if we allow injustice to prevail.

**Charles:** That sounds very well, Mary, but as a matter of fact, the administration is doing more talking than anything else. I disagree with John absolutely, for I do not think that the administration is at all radical. My objection is that it is too conservative. It talks about helping the workers, but really doesn't do much. It has passed a few laws, but employers continue to hire thugs to kill and beat workmen just as they have done before. Facts along that line have been brought out in the investigations now being conducted by a committee of the United States Senate.

My chief objection to the administration is that it isn't doing anything to bring about a better distribution of wealth. The big corporations are making as much profit as they ever did. The rich are growing richer faster than the poor are improving their lot. The purchasing power of the common people isn't being increased, and that means that when production in-



A GOOD SIGN

—Thomas in Roanoke (Va.) Times

creases we will have surpluses after a while, just as we had in 1929, because the people cannot buy what is being produced. Then when we have surpluses of goods, factories will close down again and we will have another depression.

As for relief, I am absolutely opposed to the ideas John presents. Relief, instead of being too generous, is not generous enough. There are actually cases of starvation in the United States. Thousands upon thousands of little children are undernourished, and families whose breadwinners are not employed do not get enough to maintain health, to say nothing of having comfort.

**John:** But if the government spends any more money on relief than it is spending, it will go bankrupt. It will either have to go dangerously into debt, or else it will have to increase taxes so high that they will be absolutely unbearable.

**Charles:** What do you call unbearable taxes? There is a lot of squealing about taxes by wealthy people and conservatives of all kinds, but taxes really are not unbearable by any means. Wealthy people could pay far more than they do. It would be a good thing for the whole country if a larger part of the profits made by corporations were taken by the government and given to the poor as relief. I oppose both the conservatives, represented by the Republican party, and the liberals, represented by the Roosevelt administration, because neither of them has really tackled the tax problem. Neither one promises to bring about tax reforms by which heavier taxes will be laid upon the shoulders which can most easily bear them.

**Mary:** I have listened now to you, John, as you complain that the Roosevelt administration is radical; and Charles, you say it

is too conservative. In my opinion it is neither. I think it is occupying a reasonable middle ground. It is trying to regulate big business without destroying it. It is not competing with private industry in any really competitive field. It is undertaking to relieve the needy on a grand scale, but at the same time it is trying to keep down taxation as much as possible and is not attempting to do the impossible, as Charles would have it do.

Charles says that the administration hasn't brought about an increase of purchasing power on the part of the common people. As a matter of fact, it has given the farmers a much larger income than they had. It has given steadier work and more employment to labor. It has established social security laws which, when they are completely in operation, will give security to the aged, to the blind, to the unfortunate, and to the unemployed.

**John:** You are giving the administration full credit, of course, for everything that has happened during the last three years. Farmers, for example, are better off than they were three or four years ago, but to say that the Roosevelt administration has put them into that position is to say that the administration is wholly responsible for our getting out of the depression. That, of course, isn't true. We would have gotten out of the depression anyway, just as all the other countries are getting out of it. As a matter of fact, the administration has hindered rather than helped.

**Mary:** If I had a few minutes more I would like to reply to what you say, but our time is already up. As usual, we haven't decided anything, but at least we have had a chance to air our views.



IF PAUL REVERE WERE TO DO IT TODAY

—Herblock in Hazleton (Pa.) Plain Speaker

## SOMETHING TO THINK ABOUT

1. On what essential point of the agricultural program do the Republicans differ from the Democrats?
2. What is the Democratic answer to the problem of farm surpluses? The Republican answer?
3. To what factor or factors do you attribute the improvement in the farmer's position during the last three years?
4. Why has France suffered during the last few years by remaining on the gold standard?
5. Why is it so important that England and the United States have agreed not to devalue their currencies further now that France has left gold? What advantage might they have enjoyed from doing so?
6. Explain how foreign trade is affected by a change in the gold content of a nation's currency.
7. What is meant by mercantilism and how were the American colonies affected by its application during the eighteenth century?
8. What is Governor Landon's position on social security? Explain how he would modify the present law.

**PRONUNCIATIONS:** Eamon de Valera (ay-moan' day' va-lay'ra), Sucre (soo'kray), La Paz (la path'), Alberche (al-bair'chay).





BOTH THE REPUBLICANS AND DEMOCRATS ARE DOING THEIR UTMOST TO WIN THE GREAT AGRICULTURAL SECTIONS OF THE NATION.

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## Politics Invades the Farm Belt in Search of Votes

(Concluded from page 1)

downward, for the wheat and cotton held by the Farm Board appeared to act as a drag upon the market.

By 1932 the farmer's plight had become little short of desperate. That year, the total income to American agriculture had so declined as to be the lowest on record. Farmers were in an ugly mood, and uprisings in the Middle West were frequent. On the political front, they left their traditional Republican moorings and joined the Democratic landslide. During the course of the campaign, the Democrats had promised them more drastic action than any they had ever known, and they were apparently willing to give Mr. Roosevelt a chance to try his "new deal" for agriculture.

### Action

If the farmers wanted action, and strong action, they received it under the Roosevelt administration. The New Deal has attacked the farm problem on a number of fronts. Believing that at the root of the evil were the heavy surpluses which could not be disposed of abroad, it undertook to reduce the production of farm goods. It induced as many farmers as possible to cut down their output. This it accomplished through the Agricultural Adjustment Administration, which was authorized to pay those farmers who took part of their lands out of cultivation. Seven "basic" commodities were included in the original reduction program: wheat, cotton, corn, hogs, rice, tobacco, and milk. Later, other products were included, some of them at the suggestion of the administration, and others through the pressure of groups especially interested in specific farm products.

The theory behind this program was that if the surpluses could be removed and farm production brought more nearly in line with what could be consumed in this country, prices would rise and the farmers would find themselves in the relatively "normal" circumstances that existed before the World War. The basis of the attack of the Roosevelt administration was, then, the reduction of acreage and the payment of benefits through a tax on farm products, paid by the "processors," or those who converted the original products into finished goods.

When the Supreme Court declared the AAA unconstitutional last January, holding that Congress had no power to regulate agriculture in this way, the administration was forced to seek other methods of curtailing production. Under a new measure, the Soil Conservation Act, the same objectives are sought. Instead of paying the farmers to leave part of their land out of cultivation, the government is now renting part of their land on condition that they plant it to grass and other crops that conserve or build up the fertility of the soil.

### Farmers' Income

This, in the main, has been the Roosevelt answer to the farm problem during the last three and a half years. Has the program helped the farmers? Has it solved the farm problem? It is impossible accurately to answer these questions. The administration naturally takes credit for the improvement in agricultural conditions. It points to the fact that in 1932 the farmers had a

total income of only \$4,328,000,000 and that last year it was \$7,021,000,000 and that this year it will, according to estimates, reach nearly \$8,000,000,000. Farm prices in 1932 were far below the prewar levels. Wheat was selling for 30 cents a bushel, cotton for five cents a pound, hogs \$3 a hundred pounds, and so on. The average of all farm prices in 1932 was 45 per cent below the prewar level. In August of this year, they were 24 per cent above the prewar average.

There can be no doubt, therefore, that the farmer is in a better position today than he was four years ago. But has his improvement been due to policies of the Roosevelt administration? That is the central question. Critics of the administration's program point to the fact that in 1934 and again in 1936 the country suffered from serious droughts which greatly reduced the output of farm products. They claim that it was the droughts, more than the government's program, that have caused farm prices to soar and the total farm income to regain some of its losses.

Whichever party wins the election in November, it is certain that relief and aid to farmers will be continued. If President Roosevelt is reelected, the course that will be followed is fairly clear. Acreage reduction with payments to the farmers will be continued—unless, of course, the Supreme Court rules the present program unconstitutional. If Governor Landon is victorious, the line of attack will be different in certain respects, but help will be given to American agriculture. Both parties have

Mr. Wallace has done a great deal of thinking and studying. He believes that a system can be worked out whereby in years when crops are good, part of the production may be stored in warehouses to be drawn upon during bad years. The farmers taking advantage of an insurance plan could make their payments not in cash, as one pays for other insurance premiums, but in the products. When a drought year came along, they would receive from the government supplies which they could sell. Thus they would be insured against the hazards which always confront the farmers when something goes wrong with their crops.

### Tenantry

In addition to crop insurance, the Roosevelt administration has promised to deal with another critical farm problem. It will attempt to solve the difficulties of the tenant farmers, of whom there are some 3,000,000 in this country. Forty-two out of every 100 farms in the country are operated not by the owners but by tenants or renters. In some sections, particularly the South, tenant farmers earn so little money that their conditions of life are deplorable beyond imagination. They live on a level of penance of the worst sort.

Help to this section of the population is admittedly long overdue, and while several proposals to help the tenant farmers have been made, no concrete steps have yet been taken. Now the President promises to take action. The main objective will be to find ways whereby the tenants may buy the land on which they live. The government will

continue the New Deal program, but would, rather, put into effect what has come to be known as the domestic allotment plan. Mr. Landon outlined this part of the program in his speech at Des Moines. He pointed out that farmers do not benefit from a tariff as manufacturers do. Since we are exporters of farm products and not importers, an import duty does not cause the price to rise. Thus a tariff of 50 cents a bushel on wheat would not cause the price to increase by 50 cents, because the price is determined by the world price, however high the tariff may be. In order to remove this disadvantage which agriculture suffers, the Republicans would have the government grant the farmers cash benefits on what they sell on the American market. It would pay them as much as they would receive if a tariff on farm products were effective.

On crop insurance, the Republicans agree in principle with the Democrats, and they might be assumed to take up the problems of the tenant farmer, as Governor Landon has promised to do. On soil conservation, there is little difference between their position and the Democrats'. But on one essential point (and perhaps the most important of all) the two parties are miles and miles apart. That is the question of crop restriction. The Democrats believe firmly that production must be controlled if huge surpluses are to be avoided and prices are to be kept from sliding back to their 1932 levels. The Republicans have come out against crop restriction, and have gone to great lengths to denounce the New Deal's "program of scarcity."

### Point at Issue

The real issue, then, is on this latter point. Shall the government continue to induce farmers to curtail their production as they are now doing, or shall farmers be allowed to produce as much as they please? Secretary Wallace has sharply criticized the Republican candidate on this point, declaring that without production control and with normal weather conditions the surpluses which wrought such havoc on prices all during the twenties would again appear and the farmers would be right back where they started. The plan, he said, "could not possibly last through two years of ordinary weather. Sometime in the second year the crash would come."

Although Governor Landon was not specific in dealing with the question of possible surpluses in the future, he apparently believes that there is no danger of their becoming so great as to depress prices. He called for a system whereby the surpluses that do arise may be stored. "We have learned from painful experience," he said at Des Moines, "that the overfilled crib may quickly become the empty crib. It is to the advantage of both the producer and the consumer . . . that these conditions be evened out as much as possible." The Republicans repeatedly charge the New Deal with "regimenting" the farmers, with destroying the freedom of American agriculture. They insist that the farm problem can be handled without using the strong hand of government in regulating production as it is now being regulated. With the assistance they have promised, they believe, American agriculture can be given a fair deal and still enjoy freedom.



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WHICHEVER PARTY WINS THE ELECTION IN NOVEMBER, IT IS CERTAIN THAT RELIEF AND AID TO FARMERS WILL BE CONTINUED

come out strongly for a program of action. Never before have the farmers been promised so much.

In addition to what has already been done for agriculture, Mr. Roosevelt has promised further aid in the event of his reelection. Recently he has appointed a committee, headed by Secretary of Agriculture Henry A. Wallace, to study the problem of crop insurance with a view to presenting legislation to carry the ideas into effect. Insurance of farm crops is a subject on which

lend the tenants sums of money to buy the land and will charge low rates of interest and will make easy terms for repayment.

In principle, the Republican program of farm relief differs very little from what has already been done or is being contemplated by the Democrats. Both parties have accepted the principle that the farmers must be helped by the government and that actual financial assistance must come from the treasury. The Republicans would not con-